

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

1. Firms now registered with the Hong Kong government, especially those operated jointly with other nationalities, must submit a report on source of capital and registration documents to the Canton Public Affairs Bureau and Canton District Navigation Control Bureau for investigation and to secure permits.
2. Firms must move their main office to Canton, and register with the Canton District Navigation Control Bureau.
3. They must submit a personal history of each crew member to the Navigation Control Bureau for investigation and approval.
4. Upon completion of registration, registrants must put up bond; the amount of bond will be set according to size of ship. They also must pay business and industrial-commercial taxes for one quarter, e.g. if operations are to begin in August, taxes must be paid for July, August, and September.
5. Operators cannot choose their desired route, but must accept the route assigned to them by the Navigation Control Bureau. If business slackens on the assigned route, the operator may request to have his bond and taxes reduced.
6. Ships must fly Communist flags.

PANAMANIAN SHIPS TO STOP VISITING COMMUNIST PORTS -- Hong Kong Hsing-tao Jih-pao, 10 Sep 50

Hong Kong -- Mr Ma-li-ou, [Chinese approximation of foreign name] Panamanian Minister to the Nationalist government in Taiwan, who is now in Hong Kong to investigate the Nationalists' report that 13 ships flying Panamanian flags are engaged in carrying coal from Ch'in-huang-tao to Japan, has revealed the result of his investigation, as follows: The Nationalists' report was confirmed, and at the meeting of officials of the Panamanian shipping companies in Hong Kong, all 13 ships agreed not to visit Communist ports again. The decision of this meeting was reported to the Panamanian government.

Mr Ma-li-ou also said that there is a total of about 150,000 tons of ships which now fly Panamanian flags in Hong Kong, and if any of them continue to visit Communist ports, the Panamanian government will cancel their registration.

MORE SHIPS ARE GOING TO CANTON -- Hong Kong Hsing-tao Jih-pao, 11 Sep 50

Hong Kong -- With encouragement from the Communist authorities, and partially because of necessity, more Chinese-owned shipping companies in Hong Kong are sending representatives to Canton to obtain permits for shipping service between Canton, Hainan, and Fort Bayard. Several companies are seriously hoping to secure rights to participate in the new route because of recent sluggish trade between Hong Kong and the mainland of China. Ships which are already in Canton seeking permits are: the Tung-li, Fu-hua, Yung-fu, Ai-chi, Chin-hsing, Hai-ma, T'ai-ning, T'ai-p'ing-shan, Chao-lung, Ch'iao-yun, Hsiang-sheng, and Cheng-hsing.

MINES AT YANGTZE MOUTH -- Hong Kong Hsing-tao Jih-pao, 6 Sep 50

Hong Kong -- According to a news item from Shanghai, the islands located just outside of the Yangtze River are infested with pirates, and it was believed that the mines which struck several ships recently had been laid by those pirates to rob the wrecked ships. According to the captain of a ship which visited Shanghai recently, the mines are large, and seem to have been laid recently. He believes that the pirates can watch the course and draught of each visiting ship from the island; consequently, all mines are laid very accurately. He also suggested that the whole operation may be a coordinated effort between pirates and the Nationalist underground agents.

- 2 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

MORE NEWS ON MINES NEAR SHANGHAI -- Hong Kong Hsing-tao Jih-pao, 11 Sep 50

Hong Kong -- A Hong Kong shipping merchant has reported that the port of Shanghai is not completely clear of mines. As a result, all large ships destined for Shanghai from Dairen, Tientsin, Tsingtao, Swatow, and Hong Kong do not go directly into the port but anchor outside Wu-sung, and send their cargo and passengers by small boats up the river. Although the Shanghai authorities have not officially closed the port for shipping, they have announced that they do not allow ships having more than 16 feet of draught to enter Shanghai.

The mines found near Shanghai are shaped like small parachutes with bottle-shaped mines attached all around, and are held 4 feet below the surface during high tide.

SS MAU-SANG ARRIVES FROM TSINGTAO -- Hong Kong Hsing-tao Jih-pao, 6 Sep 50

Hong Kong -- The steamship Mau-sang returned to Hong Kong from Tsingtao on 5 September, carrying more than 1,000 tons of cargo. One of the ship's crew reported that business is very brisk in Tsingtao, commodity prices are very low, and that a large amount of cargo is waiting to be exported.

The steamship Van Heutsz departed Hong Kong for Swatow last night, carrying 1,100 tons of fertilizer and other cargo, while the Hai-men (Empire Park) will be returning from Swatow to Hong Kong today.

On 6 September, the British passenger ship Hsiang-hsing is leaving for Ch'uan-chou, and the Hua-hsing (Rosita), also a British ship, for Han-chiang, both in Fukien Province.

NATIONALIST WARSHIP STOPS COASTAL VESSELS -- Hong Kong Hsing-tao Jih-pao, 9 Sep 50

Hong Kong -- Two coastal vessels, the Hua-an (Elsie Moller) and Hua-lin (Torina), enroute to Amoy several days ago, were caught by blockading Nationalist warships, and returned to Hong Kong on 8 September. The Hua-an, carrying 340 tons of cargo, was stopped on 4 September near Amoy, and was escorted to Quemoy for questioning. After more than 40 hours of questioning and after the captain of the ship had signed a statement promising that the ship would not attempt to cross the Nationalist blockade again, she was released.

The Hua-lin was caught for the second time in 3 weeks. On 20 August, she was caught and was held for more than 10 hours before being released. This time, she was carrying some cargo to Amoy, but had no passengers.

- E N D -

- 3 -

CONFIDENTIAL

CONFIDENTIAL